

**Senate File 306 - Introduced**

SENATE FILE 306

BY CARLIN

**A BILL FOR**

1 An Act exempting from the state sales tax and use tax the  
2 purchase price of tangible personal property or specified  
3 digital products sold and services furnished to a nonprofit  
4 food bank.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2021, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 107. The sales price from the sale or  
4 rental of tangible personal property or specified digital  
5 products, or services furnished, to a nonprofit food bank,  
6 which tangible personal property, specified digital products,  
7 or services are to be used by the nonprofit food bank for a  
8 charitable purpose. For purposes of this subsection, "*nonprofit*  
9 *food bank*" means an organization organized under chapter 504  
10 and qualifying under section 501(c)(3) of the Internal Revenue  
11 Code as an organization exempt from federal income tax under  
12 section 501(a) of the Internal Revenue Code that maintains  
13 an established operation involving the provision of food or  
14 edible commodities or the products thereof on a regular basis  
15 to persons in need or to food pantries, soup kitchens, hunger  
16 relief centers, or other food or feeding centers that, as an  
17 integral part of their normal activities, provide meals or food  
18 on a regular basis to persons in need.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
21 the explanation's substance by the members of the general assembly.

22 This bill exempts from the sales tax the purchase price from  
23 the sale or rental of tangible personal property or specified  
24 digital products, or services furnished, to a nonprofit  
25 food bank if the property or services are to be used by the  
26 nonprofit food bank for a charitable purpose. "Nonprofit food  
27 bank" is defined in the bill.

28 By operation of Code section 423.6, an item exempt from the  
29 imposition of the sales tax is also exempt from the use tax  
30 imposed in Code section 423.5.